

What is claimed is:

1. A computer network system for trading derivatives comprising:

- (a) a network managing station;
- (b) one or more market maker stations;
- 5 (c) one or more subscriber stations;
- (d) one or more Exchanges;

wherein the network managing station connects market makers and subscribers for making real time indicative quotes, issuing requests for quotes, obtaining binding quotes and wherein the market makers and subscribers are in communication with an
10 Exchange for sending binding quotes and orders to the Exchange for clearing and confirming transactions.

2. The network system of claim 1 wherein the network managing station matches a binding quote and order and consummates a transaction at an Exchange.

3. A method for electronically trading derivatives comprising:

- 15 (a) providing a computer network of electronic communication between market makers, subscribers, network managing station and at least one exchange;
- (b) making queries to market maker(s) by subscribers by way of (a) regarding the:
 - 20 (1) valuation, and computation of such valuation, for derivatives contracts;
 - (2) valuation, and computation of such valuation, for buy, sell combinations of derivative contracts; and
 - (3) quantity of the bid and offer for (1) and (2) .
- 25 (c) initiating by way of (a) an indication to trade by a subscriber to a market maker;
- (d) receiving responses by a subscriber from a market maker to the indication to trade by way of (a);
- (e) accepting a response to an indication to trade by a subscriber by way
30 of (a) thereby agreeing that the acceptance of the response to the indication to trade will be forwarded to the exchange as a binding quote by a market maker.
- (f) submitting a binding quote to the Exchange by way of (a);
- (g) matching and clearing the orders and binding quotes at the Exchange;

- (h) confirming a trade to the subscriber and market maker by way of (a);
4. The method of claim 1 wherein the derivative is a commodity contract.
5. The method of claim 1 wherein the queries are made to a plurality of market makers.
- 5 6. The method of claim 3 where the binding quotes and orders are sent to the control station by way of (a) for matching and the network managing station sends the matched binding quote and order to the Exchange for clearance.
7. A method for electronically trading derivatives comprising:
- 10 (a) providing a computer network of electronic communication between market makers, subscribers, network managing station and at least one exchange;
- (b) submitting of a request for quote to an Exchange by way of (a) by the subscriber;
- 15 (d) submitting a binding quote to the Exchange by the market maker;
- (e) submitting an order by way of (a) to an Exchange by the subscriber;
- (f) matching and clearing the orders and binding quotes at the Exchange; and,
- (g) confirming a trade to the subscriber and market maker by way of (a);
8. A method for electronically trading derivatives comprising:
- 20 (a) providing a computer network of electronic communication between market makers, subscribers, network managing station and at least one exchange;
- (b) making queries to market maker(s) by subscribers by way of (a) regarding the:
- 25 (1) valuation, and computation of such valuation, for derivatives contracts;
- (2) valuation, and computation of such valuation, for buy, sell combinations of derivative contracts; and
- (3) quantity of the bid and offer for (1) and (2) .
- 30 (c) initiating by way of (a) an indication to trade by a subscriber to a market maker;
- (d) receiving responses by a subscriber from a market maker to the indication to trade by way of (a);
- (e) submitting of a request for quote to an Exchange by way of (a) by the

5

- subscriber;
- (f) submitting a binding quote to the Exchange by the market maker;
- (g) submitting an order by way of (a) to an Exchange;
- (h) matching and clearing the orders and binding quotes at the Exchange;
and,
- (i) confirming a trade to the subscriber and market maker by way of (a).